



4 April 2017

UPDATED STATEMENT OF FINANCIAL POSITION

The following is an updated unaudited pro-forma statement of financial position as at 31 December 2016 for De.mem Limited (ACN 614 756 642) (**Company**) based on actual funds raised \$4,500,000 under the replacement prospectus issued by the Company on 16 February 2017 (**Prospectus**).

	De.mem Limited Audited 31-Dec-16 \$	Pro forma adjustments Unaudited 31-Dec-16 \$	Pro forma Unaudited 31-Dec-16 \$
Assets			
Current assets			
Cash and cash equivalents	1,080,303	4,000,000	5,080,303
Trade and other receivables	336,463	-	336,463
Inventories	82,340	-	82,340
Other assets	471,098	-	471,098
Total current assets	<u>1,970,204</u>	<u>4,000,000</u>	<u>5,970,204</u>
Non-current assets			
Property, plant & equipment	700,327	-	700,327
Other assets	4,774	-	4,774
Total non-current assets	<u>705,101</u>	<u>-</u>	<u>705,101</u>
Total assets	<u>2,675,305</u>	<u>-</u>	<u>6,675,305</u>
Liabilities			
Current liabilities			
Trade and other payables	616,998	-	616,998
Other liabilities	-	-	-
Total current liabilities	<u>616,998</u>	<u>-</u>	<u>616,998</u>
Non-current liabilities			
Other liabilities	-	-	-
Total non-current liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>616,998</u>	<u>-</u>	<u>616,998</u>
Net assets	<u>2,058,308</u>	<u>4,000,000</u>	<u>6,058,308</u>
Equity			
Issued capital	5,339,056	3,677,000	9,016,056
Reserves	389,444	323,000	712,444
Accumulated losses	(3,670,193)	-	(3,670,193)
Total equity	<u>2,058,308</u>	<u>4,000,000</u>	<u>6,058,308</u>

The Pro Forma financial position has been prepared by adjusting the financial position of De.mem Limited to reflect the financial effects of the following pro forma transactions which are yet to occur, but are proposed to occur immediately before or following completion of the Offer:

- (i) A restructure of the Company being completed whereby the Company acquires De.mem Private Pte Ltd via a common control transaction through the issue of 65,000,000 ordinary shares in the Company to existing De.mem Pte Ltd shareholders in accordance with the Consideration Offer in the Prospectus;
- (ii) The issue of 22,500,000 ordinary De.mem shares at \$0.20 each to raise \$4,500,000 before costs pursuant to the Offer;
- (iii) The payment of cash costs related to the Offer estimated to be \$500,000; and
- (iv) The issue of 3,800,000 options to advisors and brokers in relation to the Advisor Offer in the Prospectus, exercisable at \$0.30 each with a 3-year expiry.

When calculating the Pro Forma financial position, the Singapore Dollar denominated results of De.mem Private Pte Ltd have been translated to Australian Dollars using a closing rate of SGD1.003:1AUD as at 31 December 2016.
